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UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

RYAN WRIGHT,  
aka "Ryan Petetit,"

Defendant.

No. CR 23-492 (A) -PA

GOVERNMENT'S SUPPLEMENTAL  
SENTENCING POSITION REGARDING  
RESTITUTION

Plaintiff United States of America, by and through its counsel of record, the United States Attorney for the Central District of California and Assistant United States Attorneys Thomas F. Rybarczyk, Billy Joe McLain, and Daniel J. O'Brien, hereby files its Supplemental Sentencing Position for Defendant Ryan Wright Regarding Restitution.

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1 This position is based upon the attached memorandum of points  
2 and authorities, the Declaration of Thomas F. Rybarczyk and the  
3 exhibits referenced therein, the files and records in this case, and  
4 such further evidence and argument as the Court may permit.

5  
6 Dated: January 20, 2025

Respectfully submitted,

7 E. MARTIN ESTRADA  
8 United States Attorney

9 LINDSEY GREER DOTSON  
10 Assistant United States Attorney  
11 Chief, Criminal Division

12 /s/  
13 THOMAS F. RYBARCZYK  
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17 Attorneys for Plaintiff  
18 UNITED STATES OF AMERICA  
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**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. INTRODUCTION**

Defendant RYAN WRIGHT ("defendant") defrauded investors in a Texas real estate project and racked up hundreds of thousands of dollars in unauthorized charges on his business partner's credit cards to both escape criminal charges for bribes he paid and continue living his lavish lifestyle. For these crimes, defendant was charged in the First Superseding Indictment with wire fraud, attempted bank fraud, and access device fraud in Counts 4-21. To resolve his case, defendant entered into a plea agreement in which he agreed to plead guilty to the bribery conspiracy. (Dkt. 149.) As part of that same agreement, while the government agreed to dismiss the remaining counts of the First Superseding Indictment, defendant agreed that this Court may order restitution to the victims of Counts 4-21, i.e., the victims of his wire fraud, attempted bank fraud, and access device fraud, and that "he owes approximately \$1,500,000 in restitution." (Dkt. 149, ¶¶ 3.C., 7.) The government's position, however, is that defendant owes more in restitution to those he defrauded, namely, \$1,811,216.46. This case's facts and controlling authority support the amount the government seeks in restitution.

**II. FACTUAL BACKGROUND**

**A. Investor Fraud (Counts 4-17)**

In 2022, defendant and his two business partners, John Pena and Diamandia Lingos, sought to develop a residential real estate project in Dripping Springs, Texas. (Dkt. 159, Revised Presentence Report ("RPSR"), ¶ 90; Ex. 1 at USAO\_00053359.) As part of that effort, defendant created materials to solicit money from investors, including individuals connected to Pena. (RPSR ¶¶ 90-91; Ex. 1 at

USAO\_00053359.) Those materials included a subscription agreement that was to be executed by the investor and defendant and represented that the investors would acquire ownership in Mission Oaks Group Robles Ranch Dripping Springs, LLC ("MOGRRDS"), the investment vehicle being used to develop the real estate project. (RPSR ¶ 91; Ex. 1 at USAO\_00053359.) This subscription agreement specifically referred to a private placement memorandum, which explained how the investor money would be spent:<sup>1</sup>

Category	Estimated Use of Proceeds
Survey Final Map	\$55,000
HOA and CCRC's	\$15,000
Due Diligence Acquisition Fee	\$178,000
Legal / Legal Final Map	\$75,000
Performance / Map Guarantee Bond 1.2%	\$56,400
Arborist	\$5,000
Marketing - Graphics - Digital - Print	\$60,000
Overhead	\$318,000
Office and Admin	\$82,500
LS and Amenity Architect	\$45,000
Soils	\$6,500
Custom Spec House Plans (1-2)	\$295,000
Standard + House Plans (2)	\$210,000
Civil Construction Drawings	\$135,000

<sup>1</sup> Despite being referenced in the subscription agreement, it is not clear if all investors received the private placement memorandum. (Ex. 1 at USAO\_00053359.)

Category	Estimated Use of Proceeds
Brandon Mann PM and Expedite	\$59,280
Jon Thompson Expedite	\$45,000
Contingency	\$82,034
<b>Total</b>	<b>\$1,640,680</b>

(Ex. 1 at USAO\_00053360-USAO\_00053361.) This same memorandum represented to investors that any excess proceeds raised from the offering would be applied to "to costs related to the acquisition and horizontal development of the Property."<sup>2</sup> (RPSR ¶ 92; Ex. 1 at USAO\_00053361.) None of these materials indicated that defendant would take investor money and convert it for his own personal use. Instead, defendant represented in these materials and in conversations that the money would be used to develop and build the project, which the investors believed would turn a profit of approximately \$11,000,000. (RPSR ¶ 93; Ex. 1 at USAO\_00053359-USAO\_00053360.) It did not.

In total, with Pena's help, defendant raised a total of \$1,282,357.85 from investors who transferred their money to the MOGRRDS Chase Bank account ending in 1358 (the "MOGRRDS Chase Account"). Those transfers are reflected in the chart below:

Date	Deposits	Investor Funds	Bates
May 2, 2022	A.V. <sup>3</sup>	\$69,687.85	USAO_00053719
May 4, 2022	M.S. LLC	\$400,000.00	USAO_00053719
May 9, 2022	V.M.H.	\$100,000.00	USAO_00053719

<sup>2</sup> Horizontal costs "refer to excavation, infrastructure, and Landscaping" costs. (Ex. 1 at USAO\_00053361.)

<sup>3</sup> The government will provide the United States Probation and Pretrial Services Officer the full names of the individuals and companies owed restitution.

Date	Deposits	Investor Funds	Bates
May 11, 2022	B.C. LLC	\$200,000.00	USAO_00053724; USAO_00053720
May 25, 2022	B.K.	\$250,000.00	USAO_00053726; USAO_00053720
May 31, 2022	A.G.	\$100,000.00	USAO_00053720
June 15, 2022	C. LLC	\$100,000.00	USAO_00053727
September 8, 2022	M.I. LLC	\$50,000.00	USAO_00053741
September 8, 2022	C.Z. <sup>4</sup>	\$12,670.00	USAO_00053741
	<b>Total</b>	<b>\$1,282,357.85</b>	

(Ex. 2.)

Within days of getting that first infusion of investor cash, defendant started diverting it from the MOGRIDS Chase Account to his Wright Equity Limited Pomona Fund Chase Account ending in 0357 (the "Wright Equity Chase Account"). Specifically, defendant made the following transfers:

Date	Type of Transaction	Amount	Bates
May 6, 2022	Transfer	\$50,000.00	USAO_00053720
May 9, 2022	Transfer	\$125,000.00	USAO_00053720
May 18, 2022	Transfer	\$15,000.00	USAO_00053720
May 23, 2022	Transfer	\$50,000.00	USAO_00053720
June 1, 2022	Transfer	\$25,000.00	USAO_00053728
June 6, 2022	Transfer	\$30,000.00	USAO_00053728
June 7, 2022	Transfer	\$30,000.00	USAO_00053728
June 16, 2022	Check	\$10,000.00	USAO_00053731; USAO_00053728

<sup>4</sup> C.Z. said when she learned escrow was closing without a purchase of the land for the Dripping Springs project, she told the title company to transfer her investment to the MOGRIDS Chase Account, which is why this amount is associated with the Secured Land Transfers LLC. (Ex. 3.) She also said that she loaned defendant \$20,000 in November 2021. When defendant failed to repay the loan, defendant told C.Z. in April 2022 that he was reimbursing her with equity in the Dripping Springs project. (*Id.*) The government is seeking additional evidence of this \$20,000 equity share from C.Z. If it obtains it, it will provide further evidence to the Court and defendant and amend its restitution request.

Date	Type of Transaction	Amount	Bates
June 24, 2022	Transfer	\$23,000.00	USAO_00053728
June 29, 2022	Check	\$31,404.10	USAO_00053732; USAO_00053728
July 5, 2022	Transfer	\$30,000.00	USAO_00053733
July 12, 2022	Transfer	\$125,000.00	USAO_00053734
July 18, 2022	Check	\$18,500.00	USAO_00053737; USAO_00053733
July 19, 2022	Transfer	\$25,000.00	USAO_00053734
July 29, 2022	Transfer	\$25,000.00	USAO_00053734
August 15, 2022	Transfer	\$16,000.00	USAO_00053738
September 8, 2022	Transfer	\$61,000.00	USAO_00053741
<b>Total:</b>		<b>\$689,904.10</b>	

(Ex. 4.) In addition to these transfers, defendant also paid his criminal defense attorneys \$53,300.00 directly from the MOGRRDS Chase Account.<sup>5</sup> (Id. at USAO\_00053717, USAO\_00053720.) He also transferred investor money to other accounts he controlled via other money transfer methods and paid his own credit card.

Defendant used that money transferred to his Wright Equity Chase Account to pay himself and his personal expenses, including his own credit cards, his BMW car payments, and over \$100,000 in legal bills from his criminal defense attorneys. (Ex. 4; see also RPSR ¶¶ 94-95; Ex. 1 at USAO\_00053362- USAO\_00053363.) He also used this same account to help him defraud two more individuals who also agreed to invest in the Dripping Springs project, M.B. and A.K.<sup>6</sup> Specifically,

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<sup>5</sup> Defendant did pay certain expenses using the MOGRRDS Chase Account that appear project-related, which appears to be defendant's principal disagreement with the government's proposed restitution figure. Specifically, he paid approximately \$317,000 in what appear to be project-related costs. (Ex. 4 at USAO\_00053728, USAO\_00053728, USAO\_00053720, USAO\_00053717.) As discussed more fully below, the law is clear that defendant does not get to offset those expenditures against his restitution obligation.

<sup>6</sup> A.K. provided his investment via his company, C.C. CPR.

1 M.B. invested \$250,000 on October 3, 2023, and A.K. invested \$20,000  
2 on November 28, 2022. (Ex. 4 at USAO\_00071638, USAO\_00071643.)  
3 Defendant convinced both men to invest in the real estate project,  
4 even though defendant and his company were not even under contract to  
5 buy the land for the Dripping Springs project at the time - a fact  
6 defendant never disclosed to investors. (RPSR ¶ 102.) Indeed, by  
7 the time A.K. invested, the landowner had sued the company defendant  
8 had planned to use to buy the land for breach of contract. (Compare  
9 Ex. 1 at USAO\_00053359 (suit filed on October 26, 2022) with Ex. 4  
10 at USAO\_00071643 (A.K. providing \$20,000 wire on November 28, 2022).)

11 **B. Access Device Fraud (Count 21)**

12 While Pena and defendant struggled to secure funding for the  
13 Dripping Springs project, defendant told Pena they needed to show  
14 they had more liquidity, which, according to defendant, they could do  
15 by opening more lines of credit. (Ex. 5, USAO\_00075168.) Pena  
16 agreed to allow defendant to do that and to use those lines of credit  
17 for project expenses only. (Ex. 6.) Defendant opened 24 credit  
18 cards, most in the name of Pena's various companies. (Dkt. 42, p.6.)  
19 Of those credit cards, nine were in Pena's name.<sup>7</sup> (Id.)

20 Defendant did not limit his spending to project-related  
21 expenses. Instead, much like he used the investor money, defendant  
22 used the credit cards opened with Pena's credit to pay for Las Vegas  
23 hotel rooms, sporting events, restaurants, bars, health spas, and  
24 even breast augmentation for a female friend. (Dkt. 42, pp. 6-7.)  
25 And, like he did with the investor funds, he used Pena's credit cards  
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27 <sup>7</sup> After executing a search warrant on defendant's residence at  
28 the time of his arrest, the government found 16 of these cards.  
(Dkt. 42, p. 5.)



to pay his and his company's criminal defense attorneys over \$150,000. (Id., p. 7.)

In total, defendant charged the following amounts on these credit cards:

Name	Company	Institution	Card Number	Charges
John J Pena	Wright Equity LLC	AMEX	71001	\$8,551.15
Ryan Wright	Wright Equity LLC	AMEX	71019	\$179,204.65
John J Pena	Wright Equity Limited Pomona Fund	Chase	75865	\$9,467.89
John J Pena	Mission Oak Group	Chase	74417	\$84,901.93
Accounts Payable	John Pena LLC	U.S. Bank	9959	\$9,000.00
Accounts Payable	Basement Ventures Inc.	U.S. Bank	8061	\$4,750.00
Ryan Wright	101 Restaurant Group	U.S. Bank	4166	\$7,375.71
Ryan Wright	JP 1518, Inc.	U.S. Bank	3142	\$20,000.00
Ryan Wright	Mission Oak Group LLC	U.S. Bank	8079	\$100,864.91
Accounts Payable	Wright Equity Limited	U.S. Bank	0675	\$43,000.00
Ryan Wright	Wright Equity Limited	U.S. Bank	6157	\$2,035.86
			<b>Total:</b>	\$469,152.10

(Exs. 7-17.) In its review of the charges in the above spreadsheet, the government identified payments that defendant made and project-related expenses for which Pena told defendant he could use the credit cards. These offsets totaled \$134,974.26. Additionally, defendant has identified \$75,319.23 in offsets, including a \$50,000 payment Pena said defendant made toward paying the credit card debt Pena had incurred. The government agreed offset the \$469,152.10 owed to Pena by these amounts (\$134,974.26 and \$75,319.23). This means

1 that the government's total restitution demand for Pena is  
2 \$258,858.61.

3 **III. ARGUMENT**

4 **A. Applicable Law**

5 Federal courts may "order, if agreed to by the parties in a plea  
6 agreement, restitution to persons other than the victim of the  
7 offense." 18 U.S.C. § 3663(a). The government must establish the  
8 restitution amount by a preponderance of the evidence. See United  
9 States v. Waknine, 543 F.3d 546, 556 (9th Cir. 2008) (citing 18  
10 U.S.C. § 3664). The Mandatory Victims Restitution Act ("MVRA") serves  
11 a remedial purpose, which is why it gives "district courts a degree  
12 of flexibility in accounting for a victim's complete losses." Id.  
13 557. In exercising this flexibility, the district court may rely on  
14 any evidence that possesses "sufficient indicia of reliability to  
15 support its probable accuracy." Id. (internal quotation marks  
16 omitted.)

17 **B. Defendant Owes \$1,811,216.46 in Restitution to His Victims**

18 As an initial matter, because defendant agreed in the plea  
19 agreement to pay restitution to the victims of Counts 4-21, this  
20 Court may order restitution to the victims of those crimes, even  
21 though these were not the counts of conviction. (Dkt. 149, ¶ 7.)  
22 Here, defendant has also agreed that "he owes approximately  
23 \$1,500,000 in restitution." (Id.) While defendant did not specify  
24 in the plea agreement his dispute with the government's restitution  
25 calculation, his principal disagreement with the government's  
26 calculation appears to be its inclusion of the project-related costs  
27 from the MOGRRDS Chase Account. As discussed above, the government  
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1 has identified approximately \$317,000 in what appear to be project-  
2 related expenses from the MOGRD'S Chase Account. According to  
3 defendant, because these funds were in fact expended on furthering  
4 the project, this amount should be offset from his restitution order.

5 But that is not the law. The MVRA and its remedial purpose  
6 requires defendants to return property lost by victims of their  
7 crimes. 18 U.S.C. § 3663A(b)(1)(A); see also United States v. Gossi,  
8 608 F.3d 574, 579-80 (9th Cir. 2010) ("The purpose of restitution is  
9 to put the victim back in the position he or she would have been but  
10 for the defendant's criminal conduct.").

11 In this case, the property is money. Roberts v. United States,  
12 572 U.S. 639, 640-41 (2014) (interpreting "property" under the MVRA  
13 to include money). Where the return of property "is impossible,  
14 impracticable, or inadequate," the defendant shall pay an amount  
15 equal to "the value of the property on the date of the . . .  
16 loss." § 3663A(b)(1)(B)(i). In the investor fraud context, courts  
17 have interpreted this to mean repaying all the money lost by the  
18 victims. See United States v. Holmes, 673 F. Supp. 3d 1049, 1058  
19 (N.D. Cal. 2023).

20 For example, in Holmes, the district court rejected defendants'  
21 argument that the victim investors' restitution award should be  
22 reduced by the fair value of the shares absent the defendants'  
23 fraudulent conduct. Id. at 1057-58. There, the district court found  
24 that "[a]n investor victim's loss is the full amount of the property  
25 given (i.e., money) at the time of the fraudulently induced  
26 investments, irrespective of any shares the victims received or the  
27 value of those shares." Id. at 1058.

1 Similarly, in United States v. Sarad, the district court there  
2 rejected a securities fraud defendant's argument that some victim  
3 investor's money had been used for legitimate corporate purposes.  
4 227 F. Supp. 3d 1153, 1159 (E.D. Cal. 2016). The court reasoned that  
5 "what eventually happened to the investor's money is irrelevant under  
6 the MVRA because the statute provides for calculating restitution  
7 based on what the victims lost at the time of [defendant's]  
8 fraudulent conduct, not afterwards." Id. Further, the legitimate  
9 corporate work paid for with investor money "did not physically  
10 return property or funds to the victims and is therefore not  
11 relevant."<sup>8</sup> Id.

12 The same is true. The fact that defendant used a small  
13 percentage of the investor funds to pay project costs is irrelevant.  
14 He defrauded these investors by making them believe he intended to  
15 use the money to pay for the project, not to convert the money for  
16 his personal expenses and criminal defense attorneys. His argument  
17 should be rejected.

18 To the extent he disputes that the government has failed to  
19 adequately prove he owes restitution to these victims, that argument  
20 should fail, too. In the investor scheme, the evidence proffered by  
21 the government demonstrates that he and others working with him  
22 represented to investors that their money would be spent on  
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24 <sup>8</sup> There is a MVRA provision that allows for a defendant to  
25 reduce his restitution figure by the value of the property, e.g.,  
26 money, that is returned to the victim. § 3663A(b)(1)(B)(ii)  
27 (calculating restitution as the "the value (as of the date the  
28 property is returned) of any part of the property that is  
returned"). There is no evidence that defendant refunded the  
investors here any money such that he should get credit for this  
offset. Nor does he have any property interest that he could convey  
to those investors to offset his restitution figure.

1 developing the Dripping Springs project. It was not. Instead, as  
2 detailed above, defendant converted the investor money for his  
3 personal expenditures, including criminal defense attorneys. He  
4 started his theft of investor funds mere days after receiving the  
5 first investor deposit. As for the access device fraud, given the  
6 sheer amount of personal purchases made over several credit cards  
7 demonstrate that he did not have permission to use Pena's credit  
8 cards for his personal expenses. There can be little dispute that  
9 Pena did not authorize defendant to use credit cards in his name for  
10 the hundreds of thousands of personal expenses, including for  
11 criminal defense attorneys and breast augmentation.

12 **IV. CONCLUSIONS**

13 For the foregoing reasons, the government requests that this  
14 Court enter an order requiring defendant to pay \$1,811,216.46 in  
15 restitution to the victims of his crimes.  
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